

# QUARTERLY REPORT

**LICENSEE** ADAMAR OF NEW JERSEY, INC.  
TROPICANA CASINO & RESORT

**FOR THE QUARTER ENDED** SEPT. 30, 2002

**TO THE  
CASINO CONTROL COMMISSION  
OF THE  
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION  
REPORTING MANUAL**

**BALANCE SHEETS**

AS OF SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	<b>ASSETS</b>		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 19,877	\$ 18,214
2	Short-Term Investments.....	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2002, \$15,129 ; 2001, \$17,620).....	14,283	15,384
4	Inventories.....	3,442	3,457
5	Prepaid Expenses and Other Current Assets.....	13,354	13,145
6	Total Current Assets.....	50,956	50,200
7	Investments, Advances, and Receivables..... (Note 4,5).....	19,146	24,999
8	Property and Equipment - Gross..... (Note 2).....	795,953	751,693
9	Less: Accumulated Depreciation and Amortization..... (Note 2).....	(232,355)	(207,738)
10	Property and Equipment - Net..... (Note 2).....	563,598	543,955
11	Other Assets.....	9,864	9,723
12	Total Assets.....	\$ 643,564	\$ 628,877
	<b>LIABILITIES AND EQUITY</b>		
	Current Liabilities:		
13	Accounts Payable.....	\$ 6,400	\$ 6,069
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other..... (Note 3).....	384	728
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	25,857	23,009
19	Other Current Liabilities.....	9,895	7,371
20	Total Current Liabilities.....	42,536	37,177
	Long-Term Debt:		
21	Due to Affiliates..... (Note 3,5).....	447,000	448,041
22	Other..... (Note 3).....	222	450
23	Deferred Credits.....	0	0
24	Other Liabilities..... (Note 5).....	19,106	10,386
25	Commitments and Contingencies..... (Note 4).....	0	0
26	Total Liabilities.....	508,864	496,054
27	Stockholder's, Partners', or Proprietor's Equity.....	134,700	132,823
28	Total Liabilities and Equity.....	\$ 643,564	\$ 628,877

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 307,039	\$ 311,212
2	Rooms.....	36,842	34,978
3	Food and Beverage.....	40,410	37,084
4	Other.....	11,069	9,342
5	Total Revenue.....	395,360	392,616
6	Less: Promotional Allowances.....	71,362	70,036
7	Net Revenue.....	323,998	322,580
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	182,234	181,052
9	Selling, General, and Administrative..... (Note 5).....	46,420	45,323
10	Provision for Doubtful Accounts.....	1,900	2,257
11	Total Costs and Expenses.....	230,554	228,632
12	Gross Operating Profit.....	93,444	93,948
13	Depreciation and Amortization.....	20,691	18,714
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	25,091	24,158
15	Other.....	0	0
16	Income (Loss) from Operations.....	47,662	51,076
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(40,410)	(40,446)
18	Interest (Expense) - External..... (Note 3).....	1,804	740
19	Investment Alternative Tax and Related Income (Expense) - Net...(Note 4).....	2,398	(1,112)
20	Nonoperating Income (Expense) - Net.....	(4,122)	(2,654)
21	Total Other Income (Expenses).....	(40,330)	(43,472)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	7,332	7,604
23	Provision (Credit) for Income Taxes.....	5,807	4,310
24	Income (Loss) Before Extraordinary Items.....	1,525	3,294
25	Extraordinary Items (Net of Income Taxes - 2002, \$0 ; 2001, \$0 ).....	0	0
26	Net Income (Loss).....	\$ 1,525	\$ 3,294

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	Revenue:		
1	Casino.....	\$ 110,973	\$ 113,497
2	Rooms.....	13,232	12,807
3	Food and Beverage.....	14,392	12,843
4	Other.....	4,172	3,244
5	Total Revenue.....	142,769	142,391
6	Less: Promotional Allowances.....	26,078	24,552
7	Net Revenue.....	116,691	117,839
	Costs and Expenses:		
8	Cost of Goods and Services..... (Note 5).....	63,973	62,607
9	Selling, General, and Administrative..... (Note 5).....	16,492	15,758
10	Provision for Doubtful Accounts.....	750	862
11	Total Costs and Expenses.....	81,215	79,227
12	Gross Operating Profit.....	35,476	38,612
13	Depreciation and Amortization.....	7,028	6,238
	Charges from Affiliates Other than Interest:		
14	Management Fees..... (Note 5).....	7,500	7,358
15	Other.....	0	0
16	Income (Loss) from Operations.....	20,948	25,016
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... (Note 3).....	(13,559)	(14,071)
18	Interest (Expense) - External..... (Note 3).....	773	805
19	Investment Alternative Tax and Related Income (Expense) - Net... (Note 4).....	(23)	(424)
20	Nonoperating Income (Expense) - Net.....	(1,024)	(945)
21	Total Other Income (Expenses).....	(13,833)	(14,635)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	7,115	10,381
23	Provision (Credit) for Income Taxes.....	5,644	5,991
24	Income (Loss) Before Extraordinary Items.....	1,471	4,390
25	Extraordinary Items (Net of Income Taxes - 2002, \$0 ; 2001, \$0 ) .....	0	0
26	Net Income (Loss).....	\$ 1,471	\$ 4,390

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADE NAME OF LICENSEE TROPICANA CASINO AND RESORT

## STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2002

(UNAUDITED)  
(\$ IN THOUSAND)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2000	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 2,457	\$ 129,529
2	Net Income (Loss) - 2001							3,646	3,646
3	Contribution to Paid-in-Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	Balance, December 31, 2001	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 6,103	\$ 133,175
11	Net Income (Loss) - 2002							1,525	1,525
12	Contribution to Paid-in-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, September 30, 2002	100	\$ 1	0	\$ 0	\$ 127,071	\$ 0	\$ 7,628	\$ 134,700

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 31,769	\$ 30,938
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....		
3	Proceeds from the Sale of Short-Term Investment Securities.....		
4	Cash Outflows for Property and Equipment.....	(37,143)	(28,364)
5	Proceeds from Disposal of Property and Equipment.....	6	20
6	Purchase of Casino Reinvestment Obligations.....	(3,885)	(3,945)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	13,343	(495)
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(27,679)	(32,784)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....		
15	Cash Proceeds from Issuance of Long-Term Debt.....		
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....	(1,547)	(608)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(1,547)	(608)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	2,543	(2,454)
25	Cash and Cash Equivalents at Beginning of Period.....	17,334	20,668
26	Cash and Cash Equivalents at End of Period.....	\$ 19,877	\$ 18,214
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 37,637	\$ 41,260
28	Income Taxes.....	\$	\$

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**STATEMENTS OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

(UNAUDITED)  
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
29	Net Income (Loss).....	\$ 1,525	\$ 3,294
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	20,446	18,468
31	Amortization of Other Assets.....	245	246
32	Amortization of Debt Discount or Premium.....	(56)	0
33	Deferred Income Taxes - Current.....	(7)	(39)
34	Deferred Income Taxes - Noncurrent.....	820	4,349
35	(Gain) Loss on Disposition of Property and Equipment.....	1,091	(17)
36	(Gain) Loss on Casino Reinvestment Obligations.....	(2,709)	964
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	2,119	1,714
39	Net (Increase) Decrease in Inventories.....	(185)	(139)
40	Net (Increase) Decrease in Other Current Assets.....	(915)	(1,232)
41	Net (Increase) Decrease in Other Assets.....	(514)	189
42	Net Increase (Decrease) in Accounts Payable.....	(5,123)	(1,949)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	4,028	5,567
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	11,004	(477)
45	Extraordinary items (net of tax).....		
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 31,769	\$ 30,938

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>		
48	Additions to Property and Equipment.....	\$ (37,143)	\$ (28,364)
49	Less: Capital Lease Obligations Incurred.....	0	0
50	Cash Outflows for Property and Equipment.....	\$ (37,143)	\$ (28,364)
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>		
51	Property and Equipment Acquired.....	\$ 0	\$ 0
52	Goodwill Acquired.....	0	0
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	0	0
54	Long-Term Debt Assumed.....	0	0
55	Issuance of Stock or Capital Invested.....	0	0
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>		
57	Total Issuances of Stock or Capital Contributions.....	\$ 0	\$ 0
58	Less: Issuances to Settle Long-Term Debt.....	0	0
59	Consideration in Acquisition of Business Entities.....	0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 0

Capital Lease Obligations of \$0 and \$0 were incurred for 2002 and 2001, respectively.  
Capital lease obligation retirements of \$0 and \$0 were incurred for 2002 and 2001, respectively.

In 2001, the company incurred an intercompany payable in exchange for assets from the parent company in the amount of \$2,189.

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TRADING NAME OF LICENSEE TROPICANA CASINO AND RESORT**SCHEDULE OF PROMOTIONAL  
EXPENSES AND ALLOWANCES**

(\$ IN THOUSANDS)

revised 12/31/02

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	238,011	\$ 18,225	0	\$ 0
2	Food	1,917,406	18,791	6,036	59
3	Beverage	5,732,409	7,067	0	0
4	Travel	0	0	12,169	4,259
5	Bus Program Cash	579,203	8,313	0	0
6	Other Cash Complimentarie	837,861	15,748	0	0
7	Entertainment	79,849	194	40,691	814
8	Retail & Non-Cash Gifts	0	0	60,067	601
9	Parking	0	0	0	0
10	Other	595,280	3,024	203,234	1,012
11	Total	9,980,019	\$ 71,362	322,197	\$ 6,745

\* Reclassed from Line 10 other.

\*\* There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	85,438	\$ 6,575	0	\$ 0
2	Food	712,597	6,984	2,086	20
3	Beverage	2,167,239	2,760	0	0
4	Travel	0	0	4,408	1,543
5	Bus Program Cash	194,928	2,680	0	0
6	Other Cash Complimentarie	372,268	5,836	0	0
7	Entertainment	15,553	25	13,443	269
8	Retail & Non-Cash Gifts	0	0	27,434	275
9	Parking	0	0	0	0
10	Other	250,630	1,218	36,699	429
11	Total	3,798,653	\$ 26,078	84,070	\$ 2,536

\* Reclassed from Line 10 other.

\*\* There are no complimentary services or items in Line 10 "other" which exceeds 5% of that column's total.



**ADAMAR OF NEW JERSEY, INC.**  
**DBA TROPICANA CASINO AND RESORT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001**

**NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS**

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2001.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2001 Annual Report should be read in conjunction with these financial statements.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for Points and Certain Other Time-Based or Volume-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future", which addresses the income statement classification of the value of the points redeemable for cash awarded under point programs. Per the consensus, the cost of these programs should be reported as a contra-revenue, rather than as an expense.

EITF 00-14 "Accounting for Certain Sales Incentives", which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons, and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a single exchange transaction should not be shown as an expense but should be an offset to the related revenue.

Beginning September 30, 2002, the Casino Control Commission has required these classifications be made and accordingly, we have restated the comparable 2001 periods.

**NOTE 2. PROPERTY AND EQUIPMENT**

At September 30, 2002 and 2001, the components of Property and Equipment consisted of:

	<u>2002</u>	<u>2001</u>
Land and land improvements	\$ 49,974,000	\$ 51,237,000
Building and improvements	564,459,000	555,427,000
Furniture, fixtures and equipment	133,082,000	119,809,000
Leased personal property	4,319,000	5,113,000
Construction in progress	<u>44,119,000</u>	<u>20,107,000</u>
Total property and equipment-gross	795,953,000	751,693,000
Accumulated depreciation	<u>(232,355,000)</u>	<u>(207,738,000)</u>
Total property and equipment	\$ 563,598,000 =====	\$ 543,955,000 =====

**NOTE 3. LONG-TERM DEBT**

At September 30, 2002 and 2001, Long-Term Debt consisted of:

Due to Affiliates:	<u>2002</u>	<u>2001</u>
Notes Payable - Aztar Corporation; 12.0% due 2004	<u>\$ 447,000,000</u>	<u>\$ 448,041,000</u>
Long-term debt due to affiliates	447,000,000	448,041,000
Obligations under capital leases	<u>606,000</u>	<u>1,178,000</u>
Total Affiliates and Other	447,606,000	449,219,000
Less: current portion	<u>(384,000)</u>	<u>(728,000)</u>
Total long-term debt	<u>\$ 447,222,000</u> =====	<u>\$ 448,491,000</u> =====

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004 (See Note 5. Related Parties). On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

**NOTE 4. COMMITMENTS AND CONTINGENCIES**

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 2003. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds

available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 12 to 45 years. Actual maturities may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 2002 and 2001, respectively, was \$3,885,000 and \$3,945,000 for the purchase of CRDA bonds. The Company recorded a loss provision for 2002 of \$561,000, offset by a gain of \$3,269,000 resulting from the return of our CRDA deposits. For 2001 the Company recorded a loss provision of \$964,000. The loss provision is to recognize the effect of the below market interest rate the bonds would have borne had they been issued on September 30, 2002.

In May 1996, the Company completed construction on an expansion project. The expansion consisted primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately \$24,500,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of September 30, 2002, the Company received approximately \$24,053,000 in funding from the CRDA under this agreement and had approximately \$447,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

In April 2002, the Company commenced construction on a major expansion project. The expansion will consist primarily of a retail, dining and entertainment complex along with a 502-room convention hotel tower. The Company has executed a credit agreement with the CRDA for approximately \$20,000,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify for this funding. As of September 30, 2002, the Company received approximately \$11,271,000 in funding from the CRDA under this agreement and had approximately \$53,000 in available deposits with the CRDA that qualify and accordingly reclassified this amount to accounts receivable. The balance of funding will be realized from portions of future CRDA deposits.

**NOTE 5. RELATED PARTIES**

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar.

Aztar performs various corporate services for the Company. For the period ended September 30, 2002 and 2001, Aztar charged the Company a management fee of \$25,091,000 and \$24,158,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at September 30, 2002 and 2001 are:

	<u>2002</u>	<u>2001</u>
Due to Aztar Corporation	\$ 4,777,000	\$ 3,507,000
Due to Ramada New Jersey, Inc.	182,000	106,000
Due to Adamar Garage Corporation	11,388,000	6,677,000
Due to Atlantic Deauville, Inc.	<u>165,000</u>	<u>96,000</u>
	\$ 16,512,000	\$ 10,386,000
	=====	=====

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at September 30, 2002 and 2001 are:

	<u>2002</u>	<u>2001</u>
Advances to Tropicana West	\$ <u>1,820,000</u>	\$ <u>1,875,000</u>
	\$ 1,820,000	\$ 1,875,000
	=====	=====

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at September 30, 2002 and 2001 are:

<u>PAYEE</u>	<u>2002</u>	<u>2001</u>
Aztar Corporation	\$ 447,000,000	\$ 448,041,000


On June 1, 2000, the Company borrowed \$192,000,000 from Aztar which is evidenced by a 12% interest bearing note due 2004. The Company also received payment from Aztar of \$59,000,000 which was applied against the net intercompany receivable. The Company then paid a dividend to Ramada New Jersey Holdings Corporation to the extent of Retained Earnings at June 1, 2000, of \$52,681,000 and a return of capital of \$198,319,000 for a total of \$251,000,000. On September 27, 2000, the Company paid \$27,000,000 to Aztar reducing the \$192,000,000 note to \$165,000,000.

For the nine months ended September 30, 2002 and 2001 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2002</u>	<u>2001</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 4,000	\$ 4,000
Property insurance	<u>1,017,000</u>	<u>513,000</u>
	<u>1,021,000</u>	<u>517,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	249,000	244,000
Executive deferred compensation plan	18,000	18,000
Claims	100,000	18,000
Professional services	<u>3,000</u>	<u>7,000</u>
	<u>370,000</u>	<u>287,000</u>
Total	\$ 1,391,000	\$ 804,000
	=====	=====

## STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

  
Signature

Controller

005939-11

License Number

On Behalf of:

Tropicana Casino & Resort  
Casino Licensee